

103^D CONGRESS
1ST SESSION

H. R. 2090

To amend the Internal Revenue Code of 1986 to exclude tips from gross income.

IN THE HOUSE OF REPRESENTATIVES

MAY 12, 1993

Mr. CRANE introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

To amend the Internal Revenue Code of 1986 to exclude tips from gross income.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. EXCLUSION OF TIPS FROM GROSS INCOME.**

4 (a) IN GENERAL.—Part III of subchapter B of chap-
5 ter 1 of the Internal Revenue Code of 1986 (relating to
6 items specifically excluded from gross income) is amended
7 by redesignating section 137 as section 138 and by insert-
8 ing after section 136 the following new section:

1 **“SEC. 137. TIPS.**

2 “(a) IN GENERAL.—Gross income shall not include
3 tips.

4 “(b) REGULATIONS PRESCRIBED BY THE SEC-
5 RETARY.—The Secretary shall prescribe such regulations
6 as may be necessary to carry out the purposes of this sec-
7 tion.”

8 (b) TECHNICAL AND CONFORMING AMENDMENTS.—
9 The Secretary of the Treasury shall, within 90 days after
10 the date of the enactment of this Act, submit to the Com-
11 mittee on Ways and Means recommendations for technical
12 and conforming amendments to the Internal Revenue
13 Code of 1986 which the Secretary of the Treasury consid-
14 ers appropriate as a result of the amendments made by
15 subsection (a).

16 (c) CLERICAL AMENDMENTS.—The table of sections
17 for part III of subchapter B of chapter 1 of such Code
18 is amended by striking out the item relating to section
19 137 and by inserting in lieu thereof the following:

“Sec. 137. Tips.

“Sec. 138. Cross references to other Acts.”

20 **SEC. 2. EFFECTIVE DATE.**

21 The amendments made by section 1 shall apply to
22 tips received after the date of the enactment of this Act.

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